



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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OK

TO: Internal Files

THRU: Dave W. Darby, Team Lead 

FROM: Wayne H. Western, Sr. Reclamation Specialist/Engineering *W46*

RE: Link Canyon Portal, Canyon Fuel Company, LLC, SUFCO Mine, C/041/002-AM02E-2

SUMMARY:

Canyon Fuel Company has submitted an amendment to construct a new portal at Link Canyon. Link Canyon is located in Sevier County Section 26, W1/2NW1/4sw1/4. The total disturbed area will be approximately 0.23 acres. The new disturbance will include the portal area and power line to the Link Canyon substation. The substation is located within the approved permit area.

The Link Canyon Portal will be used for intake ventilation, emergency escape way, travel way for resetting the Link Canyon substation, and to provide power for future mining of the northern most reserves.

Canyon Fuel has met with the Division of Water Quality to determine if a UPDES water discharge sampling point would be needed. It has been determined that no UPDES sampling point will be needed, because the water has been discharging from the mine for the past forty years.

The Permittee responded to the deficiencies in the initial review with a submittal dated August 12, 2002. The Division reviewed the second submittal and made the following findings.

TECHNICAL MEMO

TECHNICAL ANALYSIS:

RECLAMATION PLAN

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

Determination of Bond Amount

The Division reviewed the bond calculations submitted for the Link Canyon portal and incorporated the information into the reclamation cost estimate. The Link Canyon project is small and only requires \$12,185 in direct cost for reclamation in 2002 dollars.

The total amount of the bond is for \$4,439,000 in 2001 dollars. The Division has made other recalculations of the reclamation costs and determined the amount to be \$2,864,000 in 2006 dollars. Because the current bond amount is in excess of the reclamation cost estimate, no additional bond is needed. See summary of reclamation costs for details.

Findings:

The Permittee has met the minimum regulatory requirements for the bonding and insurance requirements section of the regulations.

RECOMMENDATIONS:

The Division should approve the amendment.